

CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 June 2004*

	Six months ended 30 June 2004 HK\$'000 (Audited)	Six months ended 30 June 2003 HK\$'000 (Unaudited)
OPERATING ACTIVITIES		
Loss before taxation	(19,416)	(44,077)
Adjustments for:		
Depreciation of property, plant and equipment	1,348	1,271
Loss on disposal of property, plant and equipment	1,123	—
Interest income	(14)	(55)
Interest expenses	4,929	11,545
Operating cash flows before movements in working capital	(12,030)	(31,316)
Increase in property under development for sale	(70,215)	(5,817)
Increase in prepayments and other receivables	(11,301)	(320)
Decrease (increase) in amount due from a former director	52	(1,162)
(Increase) decrease in amounts due from former related companies	(97)	640
Decrease in accounts receivable	233	374
Decrease in restricted bank balances	—	23,434
Increase (decrease) in taxes payable	616	(785)
Increase (decrease) in accruals and other payables	20,581	(6,908)
Increase in advances from customers	180,525	11,697
Increase in accounts payable	13,640	4,677
Decrease in land development cost payable	(65,420)	(72,967)
Decrease in long term payable	(46,642)	—
Exchange rate adjustment	—	483
NET CASH FROM (USED IN) OPERATING ACTIVITIES	9,942	(77,970)

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	Six months ended 30 June 2004 HK\$'000 (Audited)	Six months ended 30 June 2003 HK\$'000 (Unaudited)
INVESTING ACTIVITIES		
Interest received	14	55
Purchase of property, plant and equipment	(793)	(65)
Proceeds from disposal of property, plant and equipment	4,254	16
(Increase) decrease of restricted cash	(43)	34
NET CASH FROM INVESTING ACTIVITIES	3,432	40
FINANCING ACTIVITIES		
Interest paid	(15,062)	(13,534)
Drawdown of other borrowings	—	140,000
Drawdown of bank loans	10,280	217
Repayment of obligations under finance leases	(755)	(42)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(5,537)	126,641
INCREASE IN CASH AND CASH EQUIVALENTS	7,837	48,711
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	69,181	1,879
CASH AND CASH EQUIVALENTS, END OF PERIOD		
Bank balances and cash	77,018	50,590